

VZCZCXRO0579
OO RUEHAG RUEHBC RUEHDE RUEHDIR RUEHKUK RUEHROV
DE RUEHRL #2037/01 3111646
ZNY CCCCC ZZH
O 071646Z NOV 07
FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9744
RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
INFO RUCNIRA/IRAN COLLECTIVE
RUCNFRG/FRG COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RHEHAAA/WHITE HOUSE WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 002037

SIPDIS

NOFORN

SIPDIS, NEA/FO, EUR/FO, NEA/IR, EUR/AGS, ISN

E.O. 12958: DECL: 11/07/2017

TAGS: [PREL](#) [PGOV](#) [IR](#) [GM](#)

SUBJECT: GERMANY'S IRAN POLICYMAKING PROCESS

REF: BERLIN 2007

Classified By: Ambassador William Timken Jr. for reasons 1.4(b)/(d)

¶1. (C) SUMMARY: Both privately and publicly, German officials continue to insist multilateral measures, coupled with quiet economic pressure on Iran, are the most effective way to change Iran's behavior. While Chancellor Merkel has been clear on the need to prevent an Iranian nuclear weapons capability and has promoted steps to cut business ties with Iran, the German Government as a whole has not consistently delivered a strong public message of commitment to urgent diplomatic action. This cable aims to examine systemic reasons for the mixed signals Germany often sends and to outline how we can best influence German policymaking as a whole.

¶2. (C) SUMMARY (CONTINUED): In order to push Germany towards more resolute action, we will have to overcome some deeply-rooted German political tendencies; however, a country with Germany's aspirations for a permanent seat on the UN Security Council should see its own interest in overcoming them as well. Our specific recommendations in paragraph 12 focus on the need for more forward-leaning actions, greater internal German coordination on Iran, and clearer public signals from Berlin to Iran and the international community. END SUMMARY.

Why is German Policy Coordination So Weak?

¶3. (C) INSTITUTIONAL CONSTRAINTS: Every German government since 1961 has been a coalition. It has been over 40 years since the Chancellorship and the Foreign Ministry were held by the same party at the same time. A result is that the government therefore does not always speak with one clear voice on foreign policy issues, including on Iran. In the current Grand Coalition, composed of Merkel's more centrist Christian Democratic Union (CDU) and the left-leaning Social Democratic Party (SPD) (Germany's two largest, adversarial parties) this disconnect is even more pronounced.

¶4. (C) CONSTITUTIONAL CONSTRAINTS: A second factor is the broad autonomy of individual ministers and ministries, which is anchored in the constitution. While the constitution does grant the Chancellery final policy authority, this authority is limited, as the constitution simultaneously ensures ministers full portfolio autonomy. Germany does not have a fully elaborated system of interagency policy coordination similar to that in the United States (Principals and Deputies Committee meetings on specific topics, supported by PCC and

sub-PCC coordination, and provisions for NSC clearance on policy cables to overseas posts -- the "cross-hatch"). Chancellery intervention with ministries is more ad hoc and tends to take place at the most senior levels. Such intervention generally expends significant political capital, making it an option of last resort.

¶5. (C/NF) PERSONALITY FACTORS: The Chancellor, as head of government, still has broad authority, including through informal means, to set and influence foreign policy direction. Chancellor Merkel is a cautious politician and prefers to have subordinates fight the bruising policy battles. She traditionally only puts her credibility at stake when she is fairly certain of the outcome and reasonably assured of success. This means that some of the informal authority she could exert is not fully exhausted.

Competing Interests, Philosophical Approaches,
Public Opinion Also Bog Down Process

¶6. (C) Germany's Iran policy faces a variety of competing interests:

- Germany's historical responsibility towards Israel
- long-standing business ties with Iran
- Germany's continued efforts to rebuild transatlantic relations from their 2003 low
- the desire for permanent UNSC membership.

Germany is particularly sensitive about its relations with Russia, given the host of other issues (Kosovo, CFE, Missile

BERLIN 00002037 002 OF 003

Defense, the Middle East, NATO enlargement) on which Germany sees the Russian position as key.

¶7. (C) FAITH IN ENGAGEMENT AND TRADE AS LEVERS FOR CHANGE: German policy towards Iran is also deeply influenced by the German business and political establishment's traditional faith in "change through engagement" and "change through trade." These were the hallmarks of German engagement with the Soviet Union and Eastern Europe through much of the Cold War. Most Germans believe that German engagement with the Soviet Bloc was the crucial element in the West's eventual success. Germany's insistence on consensus-building within the P5 1 system and its support of the IAEA's work plan are based on German officials, strongly held multilateral instincts. Germans voice the belief that measures outside of the UNSC would give China and Russia an excuse to disengage.

¶8. (C) Germany also draws from its Cold War experience the conclusion that its business ties to Iran are a means of bolstering moderates in Iran and gaining the support of the broader population, raising the chances over the longer term for promoting economic - and political - reform. There is a view that a decrease in EU business ties accompanied by a corresponding increase in Chinese, Russian, or other non-European economic ties might actually embolden hardliners in Iran to continue down their path. (NOTE: Reftel outlines in detail the German business community's views in this regard.)

¶9. (C) PUBLIC OPINION, ELECTORAL POLITICS ALSO A FACTOR: German public opinion has also been a factor, particularly with the 2009 Bundestag election on the horizon. The SPD already fired its opening salvo in the electoral campaign at the national SPD convention in late October, distancing itself from their CDU coalition partner on a range of domestic issues. Foreign Minister Steinmeier condemned "saber-rattling" from the U.S. and used language that echoed former Chancellor Schroeder's public stance against the Iraq war. Public opinion has been largely skeptical of the degree to which Iran poses a serious threat to international security, focusing instead on inaccurate perceptions of U.S.

policies, as portrayed by an equally skeptical German press: a March FORSA public opinion poll taken at the height of public debate on Missile Defense showed that 48 percent of German citizens believe that the USA is a greater threat to world peace than Iran; only 31 percent believed that Iran is more dangerous.

What does this mean for our engagement on Iran?

¶10. (C/NF) The combination of institutional autonomy, German commercial interests, and skeptical public opinion about U.S. policy towards Iran has strongly influenced the positions of some parts of the German policy establishment on Iran. Germany remains reluctant to pursue quickly parallel sanctions measures within the E.U. for example. While senior German policymakers have reassured the USG on several occasions over the last two weeks that they support consideration within the E.U. of additional measures even before the possibility of a new UNSCR has been determined, we have not seen specific steps on their part to make this happen.

¶11. (C) One explanation for this reluctance is the German belief that the EU has already gone beyond UNSCRs 1737 and 1747 in its April 2007 Common Position, instituting a visa ban, a complete arms embargo, catch-all export controls, and the listing of additional entities not in the UNSCRs. German officials have privately taken credit for many of these "far-reaching" EU measures, instituted during Germany's EU Presidency.

¶12. (C) As the P5 1 continues to negotiate a third Iran sanctions UNSCR, and as we approach the key November milestones, we offer a few suggestions for maximizing the effectiveness of our approach to Germany on Iran issues:

--encourage the Chancellor to step up her personal engagement on Iran, including with the German public, and to more fully use her formal and informal authorities to bring policy discipline to her ministries.

--continue to acknowledge German actions to date, and

BERLIN 00002037 003 OF 003

encourage further steps to cut business and financial ties, while stressing that these strong "behind-the-scenes" steps must be matched by equally strong political messages, including public statements about the measures Germany is taking.

--augment the established USG channels to the SPD-controlled Foreign and Finance Ministries to ensure that information on Iran is adequately disseminated within the German government; the Embassy is using channels at the Chancellery and the MOD (which also is more sympathetic to our position) to convey our views and we stand ready to double-track other USG efforts more closely.

--take careful note of positions represented by German diplomats outside Germany and challenge them in Berlin when appropriate. It is not always guaranteed that messages and positions conveyed by German diplomats have been carefully coordinated on an interagency basis with the highest levels of German decision-making, particularly with the Chancellery.

--increase dialogue with German business organizations to debunk misunderstandings about U.S. business ties to Iran (e.g. perceptions that U.S. and other firms are channeling trade to Iran through Dubai and that a double standard has been created). This will help dispel myths in some business circles here that there is not a level playing field.

--explore with German officials ways to cooperate on

improving implementation of UNSCRs 1737, 1747, including perhaps coordinated outreach to the Gulf States and India.

¶13. (C) Mission Germany will continue pressing Germany on these issues and looks forward to any additional guidance from Washington.

TIMKEN JR